



State Capitol | Lansing, Michigan 48913
PH (517) 373.2523 | FAX (517) 373.5669
www.senate.michigan.gov/gop/senator/johnson/

FOR IMMEDIATE RELEASE
October 17, 2003

Contact: Brian O'Connell or Evelyn Zois
(517) 373-2523

Senator Johnson and Colleagues Approve Credit Union Modernization

LANSING—Following months of negotiations, yesterday the Michigan Senate approved Sen. Shirley Johnson's (R-Troy) proposed measure aimed at modernizing the Michigan Credit Union Act.

"The self-evident need to periodically review and update existing laws finds no better example than in Michigan's outdated credit union legislation," Johnson said. "Credit unions will still have that same cooperative, not-for-profit structure; however, this legislation expands the options and services credit unions will now be able to offer their members and other community citizens."

Senate Bill 496 empowers credit unions to establish updated and appropriate guidelines and serve a mobile and changing membership, as well as be subject to the safety and soundness provisions enforced by state regulators. In addition, the legislation enables credit unions to continue serving entrepreneurs and small businesses with effective commercial loans and other services.

Credit unions are not-for-profit financial cooperatives, owned by their members and operate for the benefit of the working or middle-income people who make up the vast majority of their membership. Nearly 4 ½ million Michigan citizens are credit union members. The original Michigan Credit Union Act was approved in 1925, with minor updates in 1986.

The legislation, SB 496, is now before the House of Representatives, where it is awaiting committee referral.